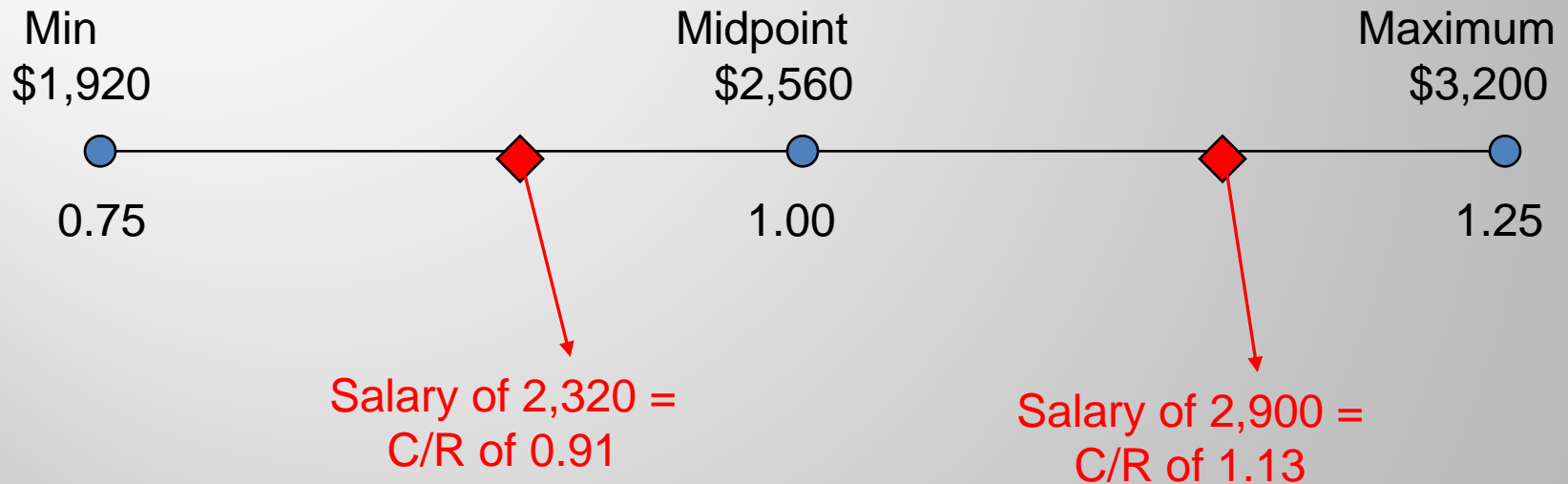


NORTH DAKOTA STATE EMPLOYEE COMPENSATION COMMISSION

June 23, 2010

Human Resource Management Services Division
Office of Management & Budget

Compa-Ratio = Salary / Midpoint



Average Classified Employee

	Years of Age	Years of Service	Annual Salary	Actual Increase	Appropriated	Compa-Ratio	Notes
January-93	42.0	9.5	22,189				
January-94	42.0	11.0	22,812	2.8%	\$60/mo		
January-96	46.0	11.4	25,476	11.7%	5.0%		
January-97	43.0	12.2	26,273	3.1%	3.0%		
January-98	43.8	12.1	27,034	2.9%	3.0%	0.98	
August-98	44.0	12.1	27,963	3.4%	3.0%	0.97	
November-99	44.2	12.2	28,860	3.2%	2.0%	0.96	(1)
August-00	44.4	12.3	29,993	3.9%	2.0%	0.97	(2)
August-01	44.8	12.5	31,467	4.9%	3.0%	0.96	(1)
December-02	45.4	12.6	32,262	2.5%	2.0%	0.96	
December-03	45.7	13.2	32,627	1.1%	0.0%	0.96	
December-04	45.9	13.2	32,604	0.0%	0.0%	0.96	
December-05	46.1	13.6	34,158	4.8%	4.0%	0.96	(3)
December-06	46.2	13.4	35,640	4.3%	4.0%	0.96	
December-07	46.2	13.2	37,834	6.2%	4.0%	0.95	(4)
August-08	46.4	13.2	39,622	4.7%	4.0%	0.96	
August-09	46.6	13.4	42,382	6.9%	5.0%	0.96	(5)

Classified Employees

Aug 2009 – 6,722
 Aug 2008 – 6,639
 Dec 2007 – 6,558
 Dec 2006 – 6,384
 Dec 2005 – 6,443

(1) Included 1999 & 2001 Market/Equity Fund Increases (\$5.4 & \$5.0 mill respectively)

(2) Included authorization for agencies to “self-fund” additional 1.0%

(3) 2005 Leg approp equity sal inc’s of \$1.5 mill for DOCR & \$413,000 for Hwy Patrol

(4) Included Market/Equity Fund (\$10 mill)

(5) Included Market/Equity Pool (\$23 mill)

North Dakota Class Evaluation System (NDCES)

to evaluate positions for classification and compensation based on
Knowledge and Skills, Complexity, Accountability, & Working Condition Hazards

Purpose

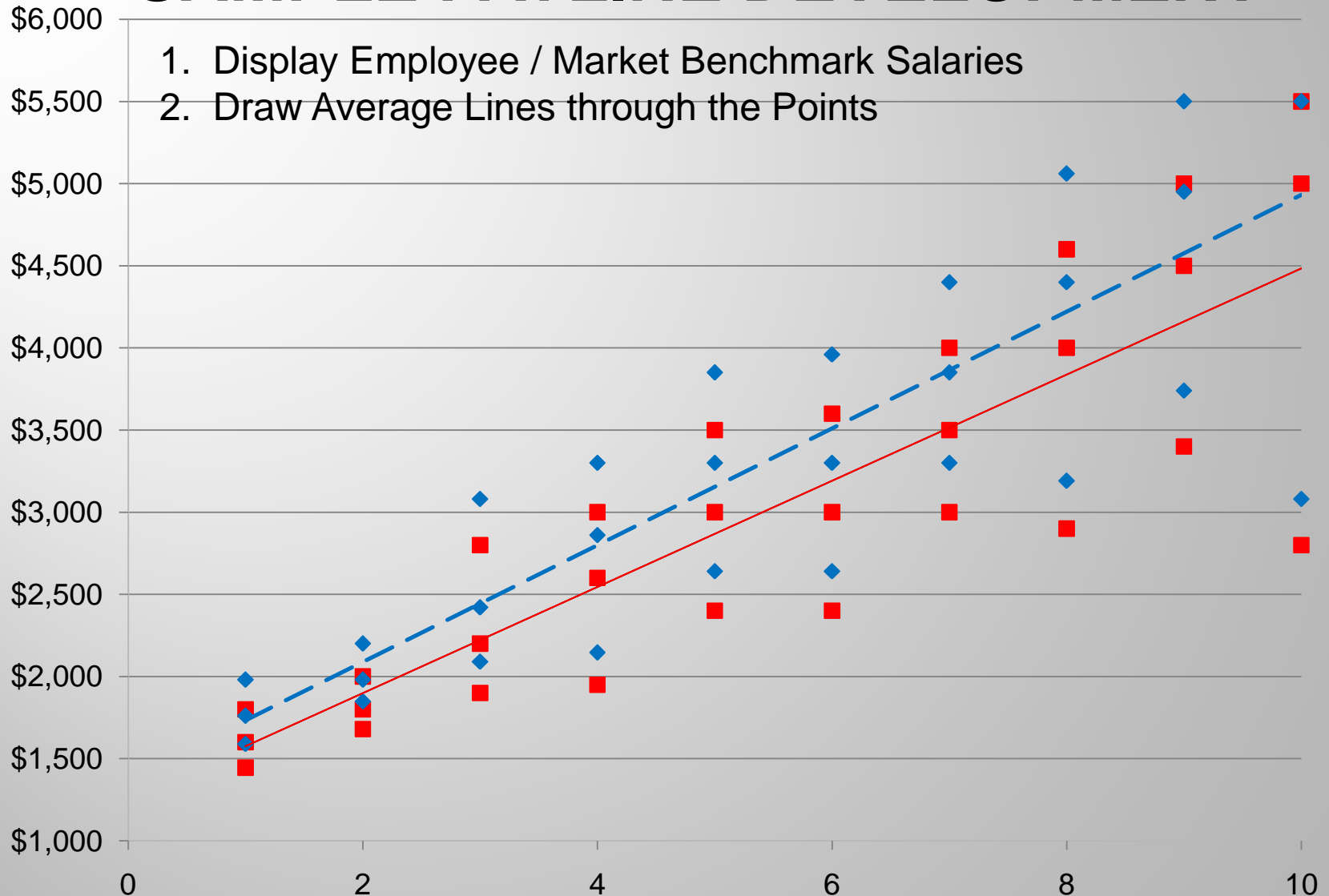
- Objectively measure the content of each job compared to other jobs.
- Determine relative worth.
- Establish equitable pay relationships among all jobs.

Benefits

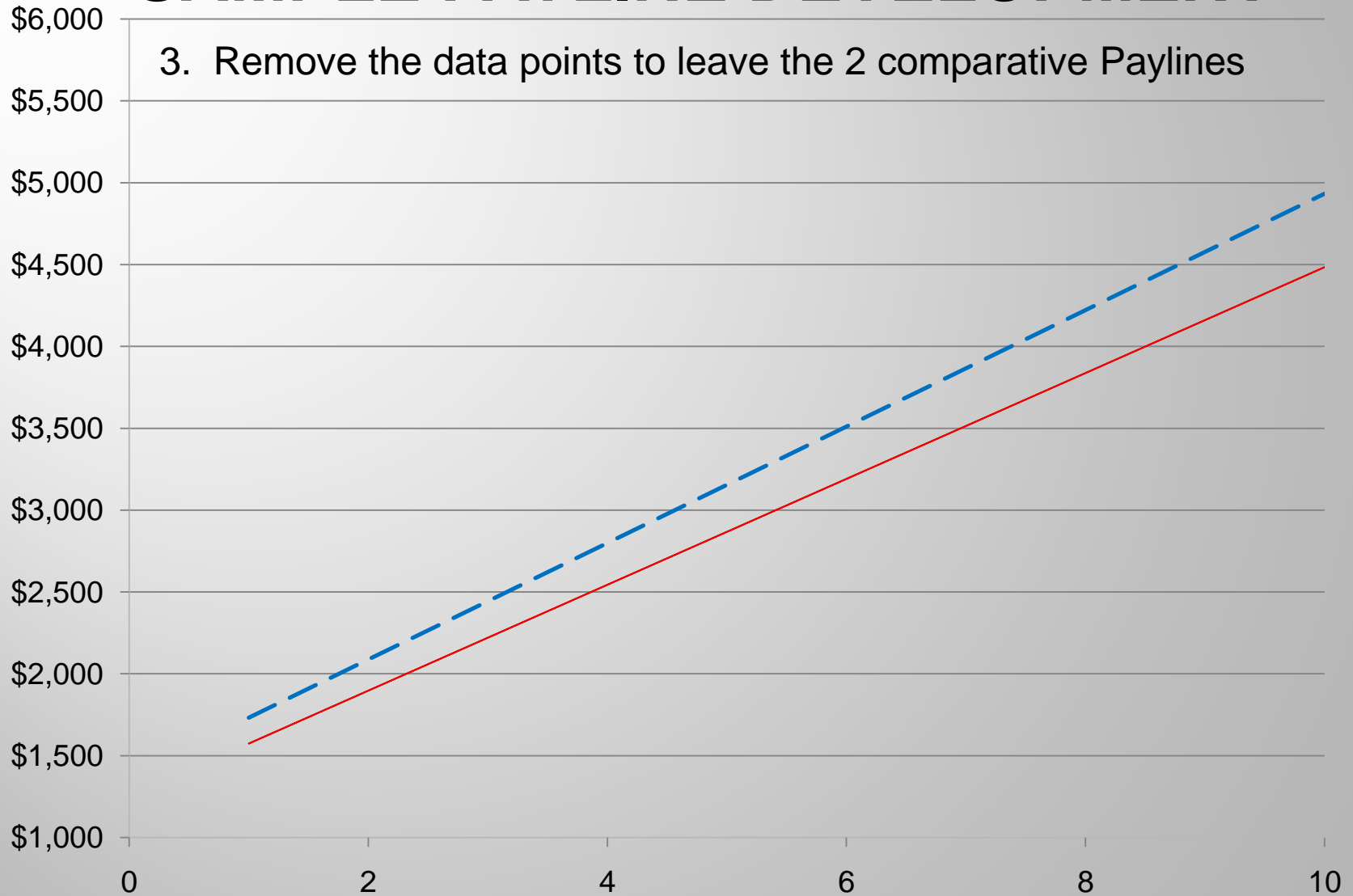
- Provides a structured and consistent method to evaluate jobs.
- Eliminates much of the subjectivity
- Ensures that jobs that compare in value are paid within the same pay grade.

Knowledge & Skill	Complexity	Accountability
• Technical Knowledge	• Guidelines	• Independence of Action
• Managerial Breadth	• Mental Challenge	• Effect On Decisions
• Interpersonal Skills		• Control of Budgeted Dollars

SAMPLE PAYLINE DEVELOPMENT



SAMPLE PAYLINE DEVELOPMENT



Employment Market - 2009

Questions to Determine Appropriate Market(s):

- ▣ Do they have similar positions, organization mission, funding sources, challenges, size, scope, etc.?
- ▣ From whom do we attract/to whom do we lose employees?
- ▣ Against which skill sets should we compare?
- ▣ Is data readily available on an ongoing basis?
- ▣ Will the selected market group of organizations be credible to key stakeholders?
- ▣ The Public Sector (States, Political Subdivisions)?
 - If Yes, what states & political subdivisions?
- ▣ The Private Sector?
 - If Yes, what organizations in what geographical areas?

Employment Market - 2009

- ▣ Grades 1-10
 - Job Service ND Labor Market Information
 - In State Employers
 - 169 Benchmark Jobs
- ▣ Grades 11-20
 - Central States Compensation Association
 - ▣ CO, IA, KS, MN, MO, **MT**, NE, OK, **SD**, **WY**
 - ▣ State Government Jobs
 - ▣ 103 Benchmark Jobs
 - Added Job Service Labor Market Information
 - ▣ In State Employers
 - ▣ 93 Benchmark Jobs

2009 Paylines Grades 1-10

Annual Salary

42,000

37,000

32,000

27,000

22,000

17,000

1

2

3

4

5

6

7

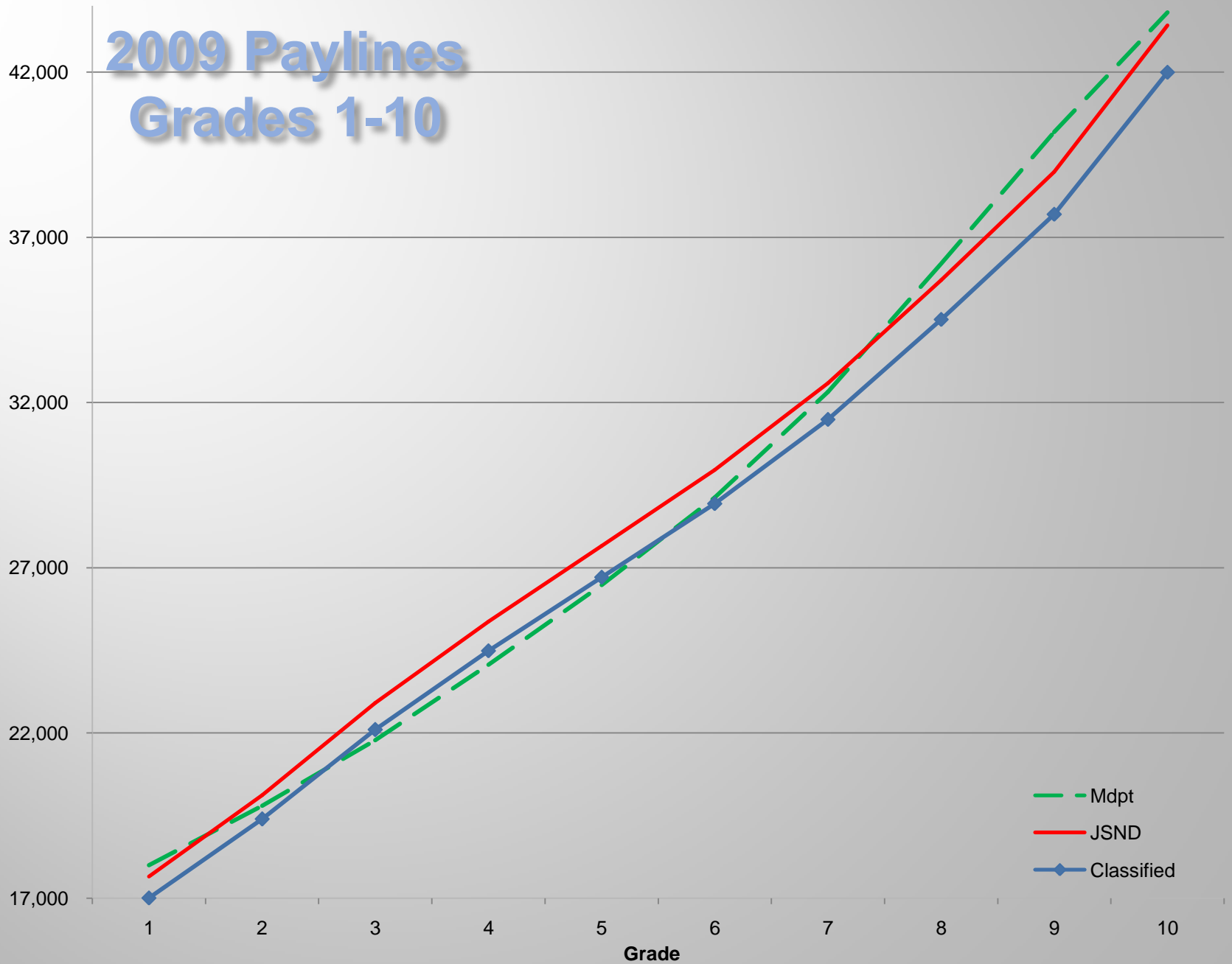
8

9

10

Grade

- Mdpt
- JSND
- Classified



2009 Paylines Grades 11-20

Annual Salary

136,000
126,000
116,000
106,000
96,000
86,000
76,000
66,000
56,000
46,000

11 12 13 14 15 16 17 18 19 20

Grade

- Midpoint
- 10 State
- Classified

2009 Paylines Grades 11-20

Annual Salary

136,000
126,000
116,000
106,000
96,000
86,000
76,000
66,000
56,000
46,000

11 12 13 14 15 16 17 18 19 20

Grade

- Midpoint
- 10 State
- 3 State
- JSND
- Classified

Classified to Market Lead / Lag

Grade	Classified Midpoint to Mkt:				Classified Average Salary to Mkt:				Grade
	2006	2007	2008	2009	2006	2007	2008	2009	
4	-9.3%	-14.2%	-11.2%	-5.4%	-11.4%	-13.5%	-12.9%	-3.6%	4
8	-14.3%	-4.2%	-8.0%	1.4%	-17.3%	-12.0%	-9.0%	-3.4%	8
12	-10.8%	-9.5%	-9.0%	-6.4%	-12.9%	-12.3%	-11.0%	-7.2%	12
16	-15.5%	-12.9%	-15.3%	-10.8%	-15.5%	-7.7%	-11.2%	-5.6%	16

Grade	Classified Midpoint to:			Classified Average Salary to:			Grade
	10 State Market	3 State Market	JSND Market	10 State Market	3 State Market	JSND Market	
4			-5.4%			-3.6%	4
8			1.4%			-3.4%	8
12	-4.6%	-1.5%	-6.4%	-5.3%	-2.2%	-7.2%	12
16	-10.1%	-1.3%	-10.8%	-5.0%	3.4%	-5.6%	16

Table 27 Benefit Value Comparison**Based on Standardized Average Salary & 5 Yrs Service****Average Salary**

annual = \$42,618

hourly = \$20.49

(Table 1 - Classified Average)

State		Vacation Hours 5-9 yrs	Sick Hours	Holiday Hours	Health Insurance Employer Cost	Dental Insurance	Vision Insurance	Life Insurance	Retirement	Social Security	Total Benefit	% of Salary
Colorado	Amount or \$ \$/hr	120 \$1.18	80 \$0.79	80 \$0.79	\$868.66 \$5.01	\$48.86 \$0.28		\$0.168 \$0.058	12.15% \$2.49		\$10.60	51.73%
Iowa	Amount or \$ \$/hr	120 \$1.18	144 \$1.42	88 \$0.87	\$1,274.77 \$7.35	\$35.04 \$0.20		\$1.130 \$0.065	6.65% \$1.36	6.20% \$1.27	\$13.72	66.97%
Kansas	Amount or \$ \$/hr	120 \$1.18	104 \$1.02	88 \$0.87	\$586.00 \$3.38	\$56.72 \$0.33			7.57% \$1.55	6.20% \$1.27	\$9.60	46.87%
Minnesota	Amount or \$ \$/hr	130 \$1.28	104 \$1.02	88 \$0.87	\$1,185.00 \$6.84	\$47.24 \$0.27			4.75% \$0.97	6.20% \$1.27	\$12.53	61.15%
Missouri	Amount or \$ \$/hr	120 \$1.18	120 \$1.18	96 \$0.95	\$852.00 \$4.92	\$6.11 \$0.04		\$0.330 \$0.059	12.75% \$2.61	6.20% \$1.27	\$12.20	59.55%
Montana	Amount or \$ \$/hr	120 \$1.18	96 \$0.95	84 \$0.83	\$626.00 \$3.61	\$58.00 \$0.33		\$1.900 \$0.153	6.90% \$1.41	6.20% \$1.27	\$9.74	47.53%
Nebraska	Amount or \$ \$/hr	120 \$1.18	96 \$0.95	96 \$0.95	\$1,624.28 \$9.37			\$0.100 \$0.012	7.49% \$1.53	6.20% \$1.27	\$15.26	74.48%
Oklahoma	Amount or \$ \$/hr	144 \$1.42	120 \$1.18	80 \$0.79	\$1,324.00 \$7.64				15.50% \$3.18	6.20% \$1.27	\$15.47	75.52%
South Dakota	Amount or \$ \$/hr	120 \$1.18	112 \$1.10	92 \$0.91	\$481.00 \$2.78			\$0.210 \$0.030	6.00% \$1.23	6.20% \$1.27	\$8.50	41.47%
Wyoming	Amount or \$ \$/hr	120 \$1.18	96 \$0.95	72 \$0.71	\$1,099.00 \$6.34	\$36.32 \$0.21		\$0.290 \$0.164	11.25% \$2.31	6.20% \$1.27	\$13.13	64.06%
10 State Average	Amount or \$ \$/hr	123.13 \$1.21	106.18 \$1.05	86.18 \$0.85	976.97 \$5.64	41.18 \$0.24		\$0.539 \$0.068	8.65% \$1.77	6.20% \$1.27	\$11.87	57.9%
3 State Average	Amount or \$ \$/hr	120.00 \$1.18	101.33 \$1.00	82.67 \$0.81	735.33 \$4.24	47.16 \$0.27		\$0.800 \$0.116	8.05% \$1.65	6.20% \$1.27	\$10.45	51.0%
North Dakota* 1	Amount or \$ \$/hr	120.00 \$1.18	96.00 \$0.95	84.00 \$0.83	826.00 \$4.77			\$0.185 \$0.00	4.12% \$0.84	6.20% \$1.27	\$9.84	48.0%
North Dakota* 2	Amount or \$ \$/hr	120.00 \$1.18	96.00 \$0.95	84.00 \$0.83	826.00 \$4.77			\$0.185 \$0.00	5.26% \$1.08	6.20% \$1.27	\$10.07	49.1%
North Dakota* 3	Amount or \$ \$/hr	120.00 \$1.18	96.00 \$0.95	84.00 \$0.83	826.00 \$4.77			\$0.185 \$0.00	9.26% \$1.90	6.20% \$1.27	\$10.89	53.1%

NOTE: - This analysis shows the value of benefits using a constant dollar amount. This compares the relative value of their benefits to other states.

- When variable rates or ranges were given for annual, sick, or holidays, an average was used. (5 years of service).

- This Value Analysis was calculated using the Classified Average Salary from Table 1.

- When variable rates or ranges were given for life insurance an average was used.

- Health, dental, and vision insurance used the largest enrollment and the highest state contribution for combined employee only and employee + family coverage.

*ND - health insurance composite rate shown

1 - Base ND Retirement Plan

2 - Base ND Retirement Plan + Pre-paid Retiree Health Contribution

3 - Base ND Retirement Plan + Pre-paid Retiree Health Contribution + Employee Contribution paid by the State on behalf of the employee.

Table 29 - Central States Regional Total Compensation Analysis (Classified Only)

Based on each state's reported Average Classified Salary & 5 Yrs Service (Table 1)

State		Average Salary	Vacation Hours	Sick Hours	Holiday Hours	Health	Insurance Dental	Vision	Life	Retirement	Social Security	Total Benefit	% of Salary	Total Compensation
COLORADO	Amount or \$	\$53,952	120	80	80	\$868.66	\$48.86		\$0.168	12.15%				
	\$/hr	\$25.94	\$1.50	\$1.00	\$1.00	\$5.01	\$0.28		\$0.058	\$3.15		\$11.99	46.24%	\$37.93
IOWA	Amount or \$	\$51,139	120	144	88	\$1,274.77	\$35.04		\$1.130	6.65%	6.20%			
	\$/hr	\$24.59	\$1.42	\$1.70	\$1.04	\$7.35	\$0.20		\$0.065	\$1.63		\$13.42	54.57%	\$38.00
KANSAS	Amount or \$	\$38,248	120	104	88	\$586.00	\$56.72			7.57%	6.20%			
	\$/hr	\$18.39	\$1.06	\$0.92	\$0.78	\$3.38	\$0.33			\$1.39	\$1.14	\$9.00	48.93%	\$27.39
MINNESOTA	Amount or \$	\$50,885	130	104	88	\$1,185.00	\$47.24			4.75%	6.20%			
	\$/hr	\$24.46	\$1.53	\$1.22	\$1.04	\$6.84	\$0.27			\$1.16	\$1.52	\$13.58	55.51%	\$38.04
MISSOURI	Amount or \$	\$32,536	120	120	96	\$852.00	\$6.11		\$0.330	12.75%	6.20%			
	\$/hr	\$15.64	\$0.90	\$0.90	\$0.72	\$4.92	\$0.04		\$0.059	\$1.99	\$0.97	\$10.50	67.13%	\$26.14
MONTANA	Amount or \$	\$41,552	120	96	84	\$626.00	\$58.00		\$1.900	6.90%	6.20%			
	\$/hr	\$19.98	\$1.15	\$0.92	\$0.81	\$3.61	\$0.33		\$0.153	\$1.38	\$1.24	\$9.60	48.04%	\$29.57
NEBRASKA *	Amount or \$	\$40,339	120	96	96	\$1,624.28			\$0.100	7.49%	6.20%			
	\$/hr	\$19.39	\$1.12	\$0.90	\$0.90	\$9.37			\$0.012	\$1.45	\$1.20	\$14.95	77.07%	\$34.34
OKLAHOMA	Amount or \$	\$34,984	144	120	80	\$1,324.00				15.50%	6.20%			
	\$/hr	\$16.82	\$1.16	\$0.97	\$0.65	\$7.64			\$0.000	\$2.61	\$1.04	\$14.07	83.65%	\$30.89
SOUTH DAKOTA	Amount or \$	\$34,440	120	112	92	\$481.00			\$0.210	6.00%	6.20%			
	\$/hr	\$16.56	\$0.96	\$0.89	\$0.73	\$2.78			\$0.030	\$0.99	\$1.03	\$7.40	44.72%	\$23.96
WYOMING	Amount or \$	\$45,822	120	96	72	\$1,099.00	\$36.32		\$0.290	11.25%	6.20%			
	\$/hr	\$22.03	\$1.27	\$1.02	\$0.76	\$6.34	\$0.21		\$0.164	\$2.48	\$1.37	\$13.61	61.77%	\$35.64
10 State Average	Amount or \$	\$42,390	123	107	86	\$992.07	\$41.18		\$0.590	9.10%	6.20%			
	\$/hr	\$20.39	\$1.21	\$1.04	\$0.84	\$5.64	\$0.24		\$0.060	\$1.74	\$1.20	\$11.95	58.60%	\$32.34
3 State Average	Amount or \$	\$40,605	120	101	83	\$735.33	\$47.16		\$0.800	8.05%	6.20%			
	\$/hr	\$19.52	\$1.13	\$0.94	\$0.77	\$4.24	\$0.27		\$0.116	\$1.62	\$1.21	\$10.29	52.73%	\$29.82
NORTH DAKOTA* 1	Amount or \$	\$42,588	120	96	84	\$826.00			\$0.185	4.12%	6.20%			
	\$/hr	\$20.48	\$1.18	\$0.95	\$0.83	\$4.77			\$0.001	\$0.84	\$1.27	\$9.83	48.02%	\$30.31
NORTH DAKOTA* 2	Amount or \$	\$42,588	120	96	84	\$826.00			\$0.185	5.26%	6.20%			
	\$/hr	\$20.48	\$1.18	\$0.95	\$0.83	\$4.77			\$0.001	\$1.08	\$1.27	\$10.07	49.16%	\$30.54
NORTH DAKOTA* 3	Amount or \$	\$42,588	120	96	84	\$826.00			\$0.185	9.26%	6.20%			
	\$/hr	\$20.48	\$1.18	\$0.95	\$0.83	\$4.77			\$0.001	\$1.90	\$1.27	\$10.89	53.16%	\$31.36

Data Source: Table 1 Table 2 Table 3 Table 4 Table 10 Table 17 Table 18 Table 22 Table 23

- NOTE:
- When variable rates or ranges were given for annual, sick or holidays, an average was used.
 - Average Salary: Classified salary was not reported by Nebraska in Table 1, the Average Salary for Classified and Unclassified was used in this Table.
 - Dental: If included in medical plan or left blank in Table 17 it was left blank in this Table.
 - Vision: If included in medical plan or left blank in Table 18 it was left blank in this Table.
 - Life: Monthly premium rate for \$1,000 multiplied by amount of coverage shown in table 22. If included in medical plan or employer cost not shown in Table 22 it was left blank in this Table.
 - Health, dental, and vision insurance used the largest enrollment and the highest state contribution for combined employee only and employee + family coverage.

* Nebraska didn't report an average classified salary; this is the overall average salary

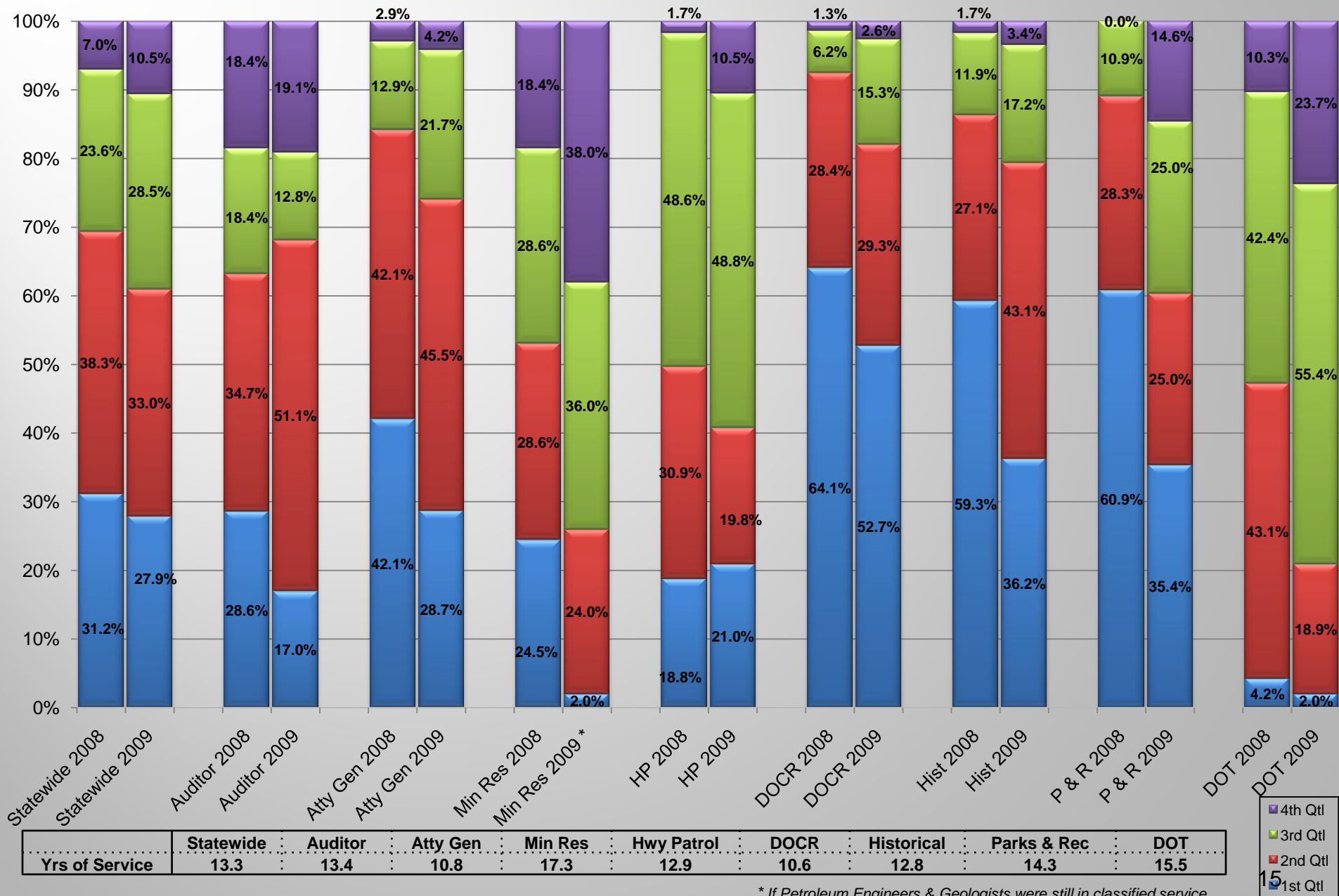
*ND - health insurance composite rate shown

1 - Base ND Retirement Plan

2 - Base ND Retirement Plan + Pre-paid Retiree Health Contribution

3 - Base ND Retirement Plan + Pre-paid Retiree Health Contribution + Employee Contribution paid by the State on behalf of the employee.

Classified Employees by Quartile - Selected Agencies 2008 - 2009



* If Petroleum Engineers & Geologists were still in classified service

SECTION 7. LEGISLATIVE COUNCIL STUDY - STATE EMPLOYEE COMPENSATION.

“ . . . the legislative council shall consider studying the classified state employee compensation system, including . . . pay grades and classifications. The legislative council shall report its findings and recommendations . . . to the sixty-second legislative assembly.”

RFP Provisions:

1. Methods used to develop and determine position classifications.
2. Methods used to set pay grade minimums, maximums, and midpoints.
3. Appropriate market comparisons.
4. Methods to minimize salary inequities both within an agency and within state government.
5. Methods of developing and sustaining a consistent long-term salary increase administration policy for state government, including the advisability of using cost-of-living increases, across-the-board increases, merit increases, equity increases, and performance increases.
6. A budget and appropriation process for providing funds to agencies to administer the state's salary increase policy.
7. The appropriate use of funding available within agency budgets from accumulated savings resulting from vacant positions and employee turnover.
8. Fringe benefits.
9. Recruitment and retention tools.
10. A state compensation philosophy statement.